



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Dear Stakeholder,

RE: Invitation to public forum on the Financial Markets Bill (to repeal and replace the Securities Services Act of 2004)

The National Treasury is in the process of reviewing comments received on the Financial Markets Bill which was published for comment on 4 August 2011. We would like to thank all respondents for the constructive nature of these comments.

The Bill builds on existing policy for the financial markets as defined through the Securities Services Act of 2004, No 36 of 2004. This Act will be repealed and replaced.

In recognition of the need for financial regulatory reform following the recent financial crisis, President Jacob Zuma has committed South Africa to a global regulatory reform agenda. For the financial sector – including financial markets – this includes a stronger regulatory framework, more effective supervision, improved crisis resolution, and enhanced accountability through international assessments and peer reviews.

The Financial Markets Bill gives effect to this agenda by:

- Strengthening the Self Regulatory Organisation model of supervision (which has proven efficient and effective in delivering on the objectives of securities regulation).
- Aligning financial markets regulation with international best practice.
- Giving effect to recommendations made by the 2008 World Bank and International Monetary Fund Financial Sector Assessment Programme.
- Implementing South Africa's commitment to the UNIDROIT Convention to improve investor protection in cross-border transactions.
- Ensuring alignment between legislation that governs financial markets and the wider legislative framework, including the new Companies Act and the Consumer Protection Act.

Before tabling the Bill to parliament, the National Treasury would like to ensure that stakeholders are provided the opportunity to engage on the contents of the Bill. So in addition to taking written comments (as received), the National Treasury would like to highlight the key elements of the bill in a public forum, allowing for market participants to raise issues of clarification or concern. Following from this forum, the National Treasury will continue, as far as is useful and practicable, to engage stakeholders on the revised drafts of the Bill.

The public forum will be held on 5 October in the Budget Room at the Finance Ministry at 40 Church Square, Pretoria, from 14h00 to 17h00. Please RSVP by accepting this invitation. Unfortunately due to the number of attendees we expect we cannot reserve parking.

